

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator John Buchler		2. Telephone Number 503-823-5256	3. Bureau/Office/Department OMF/Risk Management
4a. To be filed (date) March 10, 2011	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst March 2, 2011

1) Legislation Title: *Pay Claim of Irena Grant, involving Water Bureau.

2) Purpose of the Proposed Legislation: This ordinance will close OMF Risk Management File No. G2006-0643-01 for a total of \$64,000.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

This legislation will have no impact on City revenue.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

Cost to the City is \$64,000. The source of funding is the City's Insurance and Claims Fund. All cost of the settlement is in the current fiscal year.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

No.

6) Will positions be created or eliminated in future years as a result of this legislation?

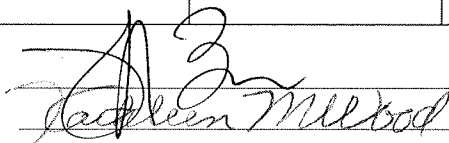
No.

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

Jeff Baer, Director, BIBS
Kate Wood, Risk Manager





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CITY OF PORTLAND, OREGON**Office of Management and Finance
Risk Management Services**

Sam Adams, Mayor
Kate Wood, Risk Manager
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DATE: February 28, 2011
TO: Mayor Sam Adams
FROM: John Buehler 3
503-823-5256

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: *Pay Claim of Irena Grant, involving Water Bureau (emergency)

1. **INTENDED THURSDAY FILING DATE:** March 10, 2011
2. **REQUESTED COUNCIL AGENDA DATE:** March 16, 2011
3. **CONTACT NAME & NUMBER:** John Buehler, 503-823-5256
4. **PLACE ON:** ☒ **CONSENT** ☐ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Y** ☐ **N** ☐ **N/A**
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ **Yes** ☐ **No** ☒ **N/A**

7. BACKGROUND/ANALYSIS

This Ordinance settles a lawsuit brought against the City by Irena Grant, through her attorney, Mark McClanahan. The lawsuit alleged that Ms. Grant suffered property damage and personal injury arising from a water line leak that occurred in April, 2006, and that further property damage occurred during the course of water line and street repair work done by the City in May, 2006. We are recommending the City pay the sum of \$64,000 to settle the lawsuit.

The lawsuit alleges the City water line leak was not repaired quickly enough, and that water flowing from the leak undermined the foundation of the plaintiff's home, located at SE 49th and SE Rhone. The primary dispute in the lawsuit has been whether the service line leak was the cause of her home settling. Plaintiff also claimed that the sidewalk abutting her property was subsequently damaged by equipment when the City crews made the water line repairs. Plaintiff further claimed that she had suffered emotional distress due to the damage to her home.

The proposed settlement was negotiated by the City Attorney's office. Risk Management and the Water Bureau Administrator concur that this settlement is in the best interest of the City.

8. FINANCIAL IMPACT

Approval of the settlement would result in a payment of \$64,000 from the liability fund.

9. RECOMMENDATION/ACTION REQUESTED

Approve settlement of Irena Grant property damage and bodily injury lawsuit in the sum of \$64,000.